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(JUN 1, 2010)



BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%  
CLASS I BUTTERFAT PRICE PER POUND

\$17.83 /CWT  
\$1.74 /LB

EFFECTIVE JUNE 1, 2010:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.83 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 17.4 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment.

The value of one pound of butterfat utilized will be \$1.74.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$15.88 /CWT

Average spray process dry milk solids

price per pound = \$1.35250  
Multiplied by 8.2 x 8.2

\$11.09050

\$11.09050

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 =

\$1.49050

Multiplied by 4.2 x 4.2

\$6.26010

+ \$6.26010

LESS a make allowance of 8.5% (

\$17.3506 X .085)

- \$17.35060

- \$1.47480

\$15.87580

Rounded to the nearest whole cent = \$15.88 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND****\$1.65 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.49050	X .111 )	=
Rounded to the nearest half cent				=
				\$0.16545
				\$0.165

Butterfat value per pound		
for milk at 3.5% test:	\$1.65	

Hundredweight price of milk testing 3.5%				
LESS 3.5 pounds of butterfat at		\$1.65	per pound	=
Value of 96.5 pounds of skim				=
				\$15.88
				\$5.775
				\$10.105

**CLASS II VALUE OF****ONE POUND OF SKIM**

10.105 / 96.5 pounds)

= \$0.10472 /LB

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$13.57 /CWT**

3.5 pounds of butterfat	x	\$1.34	per pound =	\$4.690
96.5 pounds of skim	x	\$0.09205	per pound =	\$8.883
				\$13.573 /CWT

**CLASS III BUTTERFAT PRICE PER POUND****\$1.34 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.49050
LESS 10%	-	\$0.14905
		\$1.34145

Rounded to the nearest whole cent	=	\$1.34	per pound.
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**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$9.20512 /CWT**

Avg. spray process dry milk solid price/lb =		\$1.35250
Multiplied by 8.2	x	8.2
		\$11.09050
LESS 17%	-	\$1.88539
		\$9.20512

Rounded to the nearest whole cent	=	\$9.21	per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick

Monte Nick, Bureau Chief  
Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$17.83 FOR 3.5% MILK 96.5 LBS = \$11.740			CLASS II SKIM PRICE BASED ON \$15.88 FOR 3.5% MILK 96.5 LBS = \$10.105			CLASS III SKIM PRICE BASED ON \$13.57 FOR 3.5% MILK 96.5 LBS = \$8.883		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00	Jan-07	\$ 13.91	\$ 12.41
Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40	Feb-07	\$ 14.48	\$ 12.98
Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67	Mar-07	\$ 14.65	\$ 13.15
Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08	Apr-07	\$ 15.17	\$ 13.67
May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38	May-07	\$ 16.11	\$ 14.61
Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22	Jun-07	\$ 17.64	\$ 16.14
Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59	Jul-07	\$ 19.84	\$ 18.34
Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64	Aug-07	\$ 21.84	\$ 20.34
Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48	Sep-07	\$ 22.18	\$ 20.68
Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94	Oct-07	\$ 22.25	\$ 20.75
Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95	Nov-07	\$ 21.74	\$ 20.24
Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97	Dec-07	\$ 21.51	\$ 20.01
Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58	Jan-08	\$ 20.40	\$ 18.90
Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19	Feb-08	\$ 20.56	\$ 19.06
Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29	Mar-08	\$ 19.02	\$ 17.52
Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17	Apr-08	\$ 17.40	\$ 15.90
May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49	May-08	\$ 18.37	\$ 16.87
Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66	Jun-08	\$ 17.15	\$ 15.65
Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80	Jul-08	\$ 18.35	\$ 16.85
Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.67	\$ 10.61	Aug-08	\$ 20.29	\$ 18.79
Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99	Sep-08	\$ 18.77	\$ 17.27
Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43	Oct-08	\$ 18.24	\$ 16.72
Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74	Nov-08	\$ 16.65	\$ 15.15
Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81	Dec-08	\$ 17.50	\$ 16.00
Jan-02	\$ 12.99	\$ 10.60	Jul-05	\$ 14.09	\$ 12.30	Jan-09	\$ 15.89	\$ 14.39
Feb-02	\$ 12.90	\$ 10.78	Aug-05	\$ 15.16	\$ 13.33	Feb-09	\$ 14.66	\$ 13.16
Mar-02	\$ 12.77	\$ 10.50	Sep-05	\$ 15.47	\$ 12.66	Mar-09	\$ 11.75	\$ 10.25
Apr-02	\$ 12.72	\$ 10.20	Oct-05	\$ 14.76	\$ 13.77	Apr-09	\$ 10.92	\$ 9.42
May-02	\$ 12.55	\$ 10.84	Nov-05	\$ 14.97	\$ 13.21	May-09	\$ 11.67	\$ 10.17
Jun-02	\$ 11.51	\$ 8.79	Dec-05	\$ 14.96	\$ 12.29	Jun-09	\$ 11.57	\$ 10.07
Jul-02	\$ 12.30	\$ 9.46	Jan-06	\$ 14.15	\$ 12.46	Jul-09	\$ 11.21	\$ 9.71
Aug-02	\$ 11.82	\$ 10.15	Feb-06	\$ 14.08	\$ 12.58	Aug-09	\$ 11.25	\$ 9.75
Sep-02	\$ 11.86	\$ 10.36	Mar-06	\$ 14.05	\$ 12.55	Sep-09	\$ 11.55	\$ 10.05
Oct-02	\$ 11.68	\$ 10.11	Apr-06	\$ 12.71	\$ 11.21	Oct-09	\$ 12.33	\$ 10.83
Nov-02	\$ 11.60	\$ 10.66	May-06	\$ 12.44	\$ 10.94	Nov-09	\$ 13.73	\$ 12.23
Dec-02	\$ 12.04	\$ 10.61	Jun-06	\$ 11.98	\$ 10.48	Dec-09	\$ 15.36	\$ 13.86
Jan-03	\$ 12.85	\$ 10.61	Jul-06	\$ 11.44	\$ 9.94	Jan-10	\$ 15.54	\$ 14.04
Feb-03	\$ 11.08	\$ 9.52	Aug-06	\$ 12.24	\$ 10.74	Feb-10	\$ 15.84	\$ 14.34
Mar-03	\$ 11.31	\$ 9.65	Sep-06	\$ 12.44	\$ 10.94	Mar-10	\$ 15.09	\$ 13.59
Apr-03	\$ 11.10	\$ 10.06	Oct-06	\$ 12.57	\$ 11.07	Apr-10	\$ 14.26	\$ 12.76
May-03	\$ 11.17	\$ 9.80	Nov-06	\$ 13.73	\$ 12.23			
Jun-03	\$ 10.99	\$ 9.49	Dec-06	\$ 13.42	\$ 11.92			

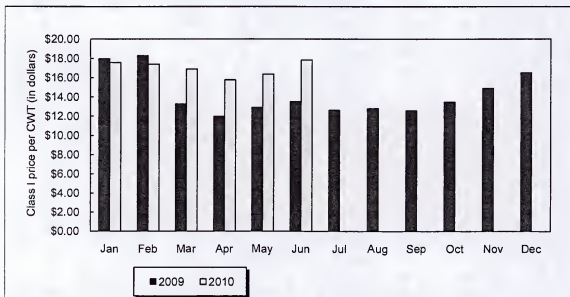
**PRODUCER CLASS I PRICE IN MONTANA**

Charts below show a class I price comparison for 2008 and 2009

Statistics from the Montana Milk Control Bureau

Month	2009	2010	Difference	% Change
January	\$17.98	\$17.58	(\$0.40)	-2.22%
February	\$18.29	\$17.39	(\$0.90)	-4.92%
March	\$13.27	\$16.89	\$3.62	27.28%
April	\$11.98	\$15.77	\$3.79	31.64%
May	\$12.91	\$16.35	\$3.44	26.65%
June	\$13.52	\$17.83	\$4.31	31.88%
July	\$12.63		\$0.00	0.00%
August	\$12.81		\$0.00	0.00%
September	\$12.59		\$0.00	0.00%
October	\$13.48		\$0.00	0.00%
November	\$14.90		\$0.00	0.00%
December	<u>\$16.54</u>		<u>\$0.00</u>	<u>0.00%</u>
<b>Average</b>	<b>\$14.24</b>	<b>\$16.97</b>	<b>\$2.31</b>	<b>18.38%</b>

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

APRIL: Class I = \$8.94; Class II = \$0.83 Class III = \$4.55; total = \$14.32

(calculations based upon utilization percentages of butterfat &amp; skim)